

## Message Text

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ORIGIN EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-10 NSAE-00 RSC-01 FAA-00 SS-20 NSC-07 L-03

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CAB - F. MURPHY

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R 102257Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY ROME

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E.O. 11652: N/A

TAGS: ETRN, IT

SUBJECT: CIVAIR: EXTRA SECTIONS

REF: A) ROME 4832, B) STATE 62525, C) ROME 4857

1. CONTRARY TO ALITALIA REPORT, CAB STAFF, IN MEETING WITH ALITALIA REPS APRIL 5, APPROVED AIRLIFT INTERNATIONAL-ALITALIA "WET LEASE" FOR APRIL 6 NEW YORK-ROME ROUNDTRIP. IF FLIGHT NOT OPERATED, IT WAS AS RESULT OPERATIONAL DECISION RATHER THAN LACK OF AUTHORITY TO DO SO. CAB WILL TAKE EMBASSY'S VIEWS INTO CONSIDERATION WHEN REVIEWING APPLICATION FOR APRIL 13-14 WET LEASE (NOT RPT NOT FILED BY APRIL 10).

2. IN REGARD CARGO OPERATIONS, WE ARE STRUCK BY THE INCONSISTENCY OF THE GOI POSITION WHICH, ON THE ONE HAND, SEEKS TO CONTROL AND LIMIT US ALL-CARGO CAPACITY, INCLUDING EXTRA SECTIONS, BUT, ON THE OTHER, SUPPORTS ALITALIA'S DESIRE TO WET LEASE US AIRCRAFT TO OPERATE AS EXTRA SECTIONS BECAUSE ALITALIA'S CARGO FREIGHTERS ARE OVER-

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EMPLOYED. HOWEVER, OUR OBJECTIVE IS TO SEEK A SOLUTION,

NOT TO SCORE DEBATING POINTS. THEREFORE, IN VIEW RECENT FLURRY OF "WET LEASE" AND "EXTRA SECTION" ACTIVITY, EMBASSY IS REQUESTED TO FOLLOW UP APRIL 4 SESSION WITH GOI AUTHORITIES, TRYING FIRST TO MAKE CERTAIN THAT DEFINITIONS USED BY TWO SIDES ARE CONSISTENT. IN USG VIEW:

A. "EXTRA SECTION" OPERATES ONLY AS ADDITION TO REGULARLY SCHEDULED SERVICE, EITHER COMBINATION OR ALL-CARGO. IT IS, FOR PRACTICAL PURPOSES, SIMPLY EXTRA CAPACITY MADE AVAILABLE TO CARRY OVERFLOW PASSENGERS OR CARGO WHEN SCHEDULED FLIGHT CAPACITY IS INADEQUATE TO MEET DEMAND.

B. "WET LEASE" ON OTHER HAND, IS A FORM OF AIRCRAFT LEASE. AN AIRCRAFT THUS ACQUIRED MIGHT BE DEPLOYED TO CARRY CHARTER TRAFFIC, OR IN CERTAIN CIRCUMSTANCES, SCHEDULED TRAFFIC, INCLUDING "EXTRA SECTION" TRAFFIC. HOWEVER, IN USG VIEW AIRCRAFT ACQUIRED TO CARRY CHARTER TRAFFIC WOULD NOT BE CONSIDERED AN "EXTRA SECTION" SINCE IT WOULD NOT BE ENGAGED IN SCHEDULED SERVICE OPERATIONS.

3. AS NOTED IN REF B, USG VIEW IS THAT EXTRA SECTIONS ARE PERMITTED BY AIR TRANSPORT AGREEMENT; THEREFORE ALITALIA IS FREE TO OPERATE EXTRA SECTIONS USING ITS OWN AIRCRAFT TO AND FROM US WITHOUT PRIOR APPROVAL FROM CAB. THIS ARGUMENT ASSUMES THAT ALITALIA WILL IN GENERAL SELL ONLY THE SERVICES IT HAS AVAILABLE TO OFFER. IF, ON THE OTHER HAND, ALITALIA WERE TO ADVERTISE CARGO SERVICES FOR WHICH AIRCRAFT ARE NOT IN FACT SCHEDULED, AND THEN SEEK TO "WET LEASE" US-FLAG AIRCRAFT TO CARRY CARGO SO COLLECTED, USG WOULD NOT CONSIDER ITSELF OBLIGATED TO APPROVE ALL SUCH "WET LEASE" APPLICATIONS. UNLIKE "EXTRA SECTION" FLOWN BY ALITALIA AIRCRAFT, APPLICATION FOR "WET LEASE" TO FUNCTION AS A REGULARLY SCHEDULED FLIGHT OR AS "EXTRA SECTION" REQUIRES PRIOR CAB APPROVAL, AND BOARD IS BY LAW REQUIRED TO ASSESS IMPACT OF SUCH PROPOSED LEASE ON ALL US AIRLINES. IN GENERAL, CAB TAKES VIEW THAT FOREIGN SCHEDULED AIRLINE SHOULD NOT BE PERMITTED TO USE AIRCRAFT OF US-FLAG AIRLINE TO PENETRATE BILATERAL LIMITED OFFICIAL USE

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MARKET AT EXPENSE OF US AIRLINES DESIGNATED FOR OPERATIONS IN THAT MARKET. IN ORDER ASSIST CAB IN ASSESSING FUTURE REQUESTS, EMBASSY REQUESTED TO REPORT ON FREQUENCY OF ALITALIA ALL-CARGO SERVICES SCHEDULED, AND OPERATED, IN MARCH AND APRIL IF SUCH INFORMATION CAN BE OBTAINED.

4. DEPT WILL WELCOME PROPOSALS FROM EMBASSY AND/OR GOI RE VIABLE "EXTRA SECTION"-"WET LEASE" MODUS OPERANDA

WHICH CONFORMS TO USG AND GOI LAW AND REGULATION. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
**Draft Date:** 10 APR 1974  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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